



Hon. Robert T. Matsui

Member of Congress

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Robert T. Matsui
Serving California's 5th District

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MATSUI ON NEW PRESCRIPTION DRUG DISCOUNT CARDS

WASHINGTON, D.C. – Congressman Robert T. Matsui (D-Sacramento) commented today on the discount drug cards seniors can now sign up for under the new changes to Medicare. The cards would allow them to begin receiving discounts on prescription drugs starting June 1, 2004.

“Just like the prescription drug benefit, the discount drug card promises far more to seniors than it delivers,” Matsui said. “While the cards are expected to offer discounts, there is no requirement of a minimum discount, and there's absolutely no guarantee that seniors will save.”

The recently enacted Medicare legislation allows private companies to sell discount drug cards to Medicare beneficiaries until the drug benefit begins in 2006. While the Bush Administration and Congressional Republicans have suggested the cards will provide discounts of 10 to 25 percent, a new survey of prices offered by discount drug card sponsors found that the savings are mostly illusory.

The survey, conducted by the Democratic staff of House of Representatives Committee on Government Reform, found that the prices available with the new discount drug cards are higher than those of several on-line drugstores and the Department of Veterans Affairs. Veterans Affairs uses the collective purchasing power of its beneficiaries to reduce veterans' prescription drug costs.

Seniors may purchase one discount drug card per year for \$30. Once the card is selected, seniors are locked into that card for one year. In contrast, companies offering cards to Medicare beneficiaries are explicitly allowed to switch the drugs on their discount list and the cost of these drugs every 7 days.

“Under this plan, seniors are at a distinct disadvantage,” Matsui continued. “While they are locked into a drug card for a year, drug companies can change the prices of the drugs on their discount list – and even the list of drugs itself – without notice, and without regard for the needs of seniors.”

A copy of the study is available at www.house.gov/reform/min/.

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